

# MARKET UPDATE



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## Market News

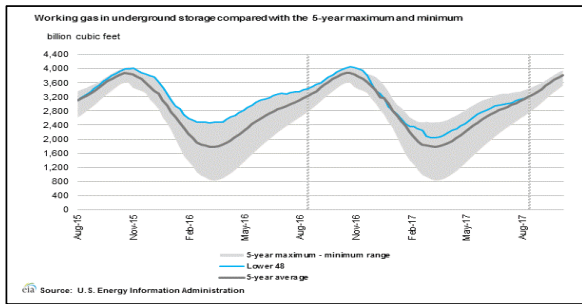
**Market Recap** - Natural gas spot price movements were mixed this report week (Wednesday, August 30 to Wednesday, September 6). The Henry Hub spot price rose from \$2.86 per million British thermal units (MMBtu) last Wednesday to \$2.93/MMBtu yesterday. At the New York Mercantile Exchange (Nymex), the October 2017 contract price rose 6¢ from \$2.939/MMBtu last Wednesday to \$3.000/MMBtu yesterday.

**Storage Report** - Working gas in storage was 3,220 Bcf as of Friday, September 1, 2017, according to EIA estimates. This represents a net increase of 65 Bcf from the previous week. Stocks were 212 Bcf less than last year at this time and 15 Bcf above the five-year average of 3,205 Bcf. At 3,220 Bcf, total working gas is within the five-year historical range.

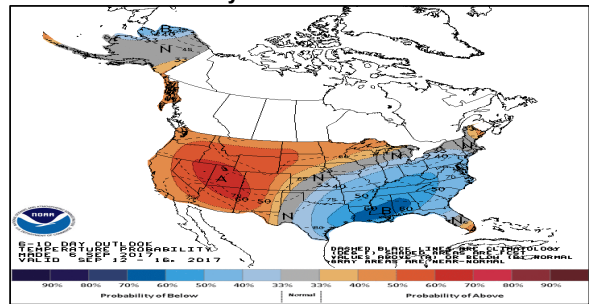
**Word on the Street** - October Henry natural gas was steady to slightly higher overnight. Stochastics and the RSI are neutral to bearish signaling that sideways to lower prices are possible near-term. Closes below the reaction low crossing at 2.880 would confirm that a short-term top has been posted. If October resumes the rally off August's low, July's high crossing at 3.131 is the next upside target.

**Observations** - Tucson Electric set a new all-time high daily peak demand of 3,296 MW on June 20. Wholesale electricity prices and demand were very high in California and the Southwest due to a record-breaking heat wave. Net generation in the United States decreased by 3.4% compared to the previous year. This occurred because record temperatures were experienced throughout the country last June, which led to a greater demand for electricity generation during.

### Inventories



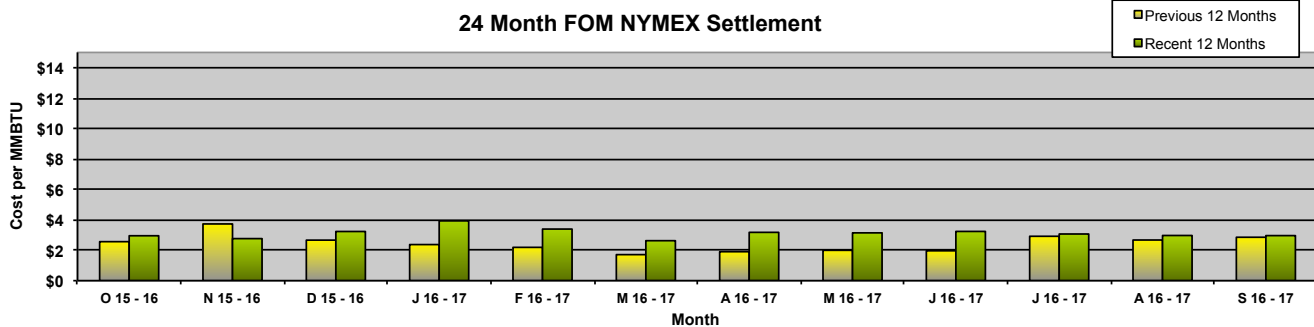
### 6-10 Day Forecast



Month	Last Price	Change	Updated - 9/07/2017 12:00 PM EST																							
Oct-17	\$2.98	-0.02	<table border="1"> <thead> <tr> <th colspan="2">Summer / Winter</th> </tr> </thead> <tbody> <tr> <td>Nov -17 - March 18</td> <td>\$3.22</td> </tr> <tr> <td>April 18 - Oct 18</td> <td>\$2.92</td> </tr> <tr> <td>Nov 18 - March 19</td> <td>\$3.11</td> </tr> <tr> <th colspan="2">Strip Prices</th> </tr> <tr> <td>3 Month</td> <td>\$3.07</td> </tr> <tr> <td>6 Month</td> <td>\$3.18</td> </tr> <tr> <td>9 Month</td> <td>\$3.08</td> </tr> <tr> <td>1 Year</td> <td>\$3.05</td> </tr> <tr> <td>2 Year</td> <td>\$2.98</td> </tr> <tr> <td>3 Year</td> <td>\$2.91</td> </tr> </tbody> </table>		Summer / Winter		Nov -17 - March 18	\$3.22	April 18 - Oct 18	\$2.92	Nov 18 - March 19	\$3.11	Strip Prices		3 Month	\$3.07	6 Month	\$3.18	9 Month	\$3.08	1 Year	\$3.05	2 Year	\$2.98	3 Year	\$2.91
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Nov-17	\$3.05	-0.02																								
Dec-17	\$3.20	-0.02																								
Jan-18	\$3.30	-0.02																								
Feb-18	\$3.30	-0.02																								
Mar-18	\$3.25	-0.02																								
Apr-18	\$2.92	-0.01																								
May-18	\$2.88	-0.01																								
Jun-18	\$2.91	-0.01																								
Jul-18	\$2.93	-0.01																								
Aug-18	\$2.93	-0.01																								
Sep-18	\$2.91	-0.01																								

Source: Nymex

### 24 Month FOM NYMEX Settlement



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